

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 13-119—sHB 6473**

*Energy and Technology Committee*

*Finance, Revenue and Bonding Committee*

*Judiciary Committee*

**AN ACT CONCERNING THE PUBLIC UTILITIES REGULATORY  
AUTHORITY, WHISTLEBLOWER PROTECTION, THE PURCHASED  
GAS ADJUSTMENT CLAUSE, ELECTRIC SUPPLIER DISCLOSURE  
REQUIREMENTS, AND MINOR AND TECHNICAL CHANGES TO THE  
UTILITY STATUTES**

**SUMMARY:** This act makes several unrelated changes in the energy statutes. Among other things, it requires electric suppliers to notify residential customers of rate changes 30 to 60 days before their fixed rate term expires. It also establishes disclosure requirements for suppliers offering power generated from renewable energy sources.

The act transfers several regulatory powers from the Department of Energy and Environmental Protection (DEEP) to the Public Utilities Regulatory Authority (PURA), which is within DEEP. It also makes administrative changes to the process by which PURA reviews gas and electric company charges and credits made under the adjustment clauses for purchased gas, energy, and transmission rates.

By law, a utility company and its contractors cannot threaten or retaliate against an employee who reported the company's malfeasance or illegal activities. Employees who feel they are being retaliated against can file a complaint with PURA. Starting July 1, 2013, the act extends the deadline for PURA to issue a preliminary finding on the complaint from 30 to 90 days. It also expands PURA's enforcement powers to include ordering the company to pay the employee back pay or attorney's fees. Existing law, unchanged by the act, allows PURA to issue orders and impose civil penalties.

The act allows PURA to hold more than one hearing on a utility company's proposed rate amendment. The law requires the companies to notify their customers of a proposed rate amendment by mail at least one week before a public hearing on the amendment. The act limits how early the notice can be issued to no earlier than six weeks before the first public hearing. It also requires the notice to include (1) the date, time, and location of any scheduled hearing and (2) a statement that customers can appear at the hearing or provide written comments on the proposal to PURA.

The act also makes several minor, technical, and conforming changes.

**EFFECTIVE DATE:** October 1, 2013, except for the provisions regarding (1) whistleblower protection, which are effective July 1, 2013, and (2) changes to PURA's regulatory power over (a) electric supplier defaults and billing, (b) electric company reliability reports, and (c) management audits and consultants,

all of which are effective upon passage.

## § 11 — ELECTRIC SUPPLIERS

### *Rate Disclosure*

The act requires an electric supplier to provide its residential customers with written notification of any changes to the customer's electric generation rate 30 to 60 days before the customer's fixed price term expires.

Starting January 1, 2014, when electric suppliers, aggregators, or their agents advertise or disclose electricity prices, the act requires them to indicate the advertised price's expiration terms in at least a 10-point font size in a conspicuous part of the ad or disclosure.

### *Renewable Energy Disclosure*

The law's renewable portfolio standard (RPS) requires electric suppliers to obtain a certain portion of their power from Class I (e.g., solar or wind), Class II (e.g., certain biomass or trash-to-energy), and Class III (e.g., certain cogeneration or energy conservation) energy sources. Existing law limits electric suppliers' renewable energy advertising to their renewable energy that exceeds the Class I and Class II RPS requirements. The act expands this advertising limit to include the Class III RPS requirement.

Under the act, any electric supplier offering any services or products containing renewable energy attributes other than those used to meet the Class I and II RPS requirements must disclose the service's or product's renewable energy content in its customer contracts and marketing materials. The supplier must also make information sufficient to substantiate its renewable energy marketing claims available on its web site.

### *Regulatory Power Over Suppliers Transferred from DEEP to PURA*

Starting October 1, 2013, the act transfers from DEEP to PURA the authority to:

1. approve the form on which customers can opt out of having their contact and rate class information shared with electric suppliers;
2. determine the reasonable amount of time in which electric companies must provide suppliers with updated customer lists;
3. receive copies of customer contracts and records from suppliers;
4. penalize suppliers that violate the law's restrictions on using customer information, promotional inserts, disclosure requirements, and procedures for entering and terminating service contracts; and
5. make regulations on suppliers' abusive switching practices, solicitations, and renewals.

## §§ 1, 2, 8, 10, 12, & 13 — PURA

As of June 18, 2013, the act transfers several regulatory powers from DEEP to PURA. It requires PURA, instead of DEEP, to adopt regulations on how to notify

customers when an electric supplier defaults. It also requires this notice to include the option to return to standard service.

The act requires PURA, instead of DEEP, to adopt regulations on (1) the standard billing format for electric service and (2) direct customer billing and collection services from electric suppliers. It extends the deadline for PURA to report on its study of supplier direct billing from February 1, 2012 to October 1, 2013 and allows PURA to submit the report to the Energy and Technology Committee electronically.

It also requires PURA, instead of DEEP, to (1) determine what storms and scheduled outages are not included in electric company reliability reports and (2) prepare an annual report on electric supplier licenses. It allows PURA to submit this report to the Energy and Technology Committee electronically.

Prior law allowed PURA to hire, within available appropriations, consultants to perform management audits on the utility companies it regulates. However, funding for the audits comes from an assessment on regulated utilities. The act removes the available appropriations limit and allows PURA to electronically submit its annual report on the audits to the General Assembly.

#### § 5 — ADJUSTMENT CLAUSE REVIEW

By law, PURA can approve an energy adjustment clause for electric companies and a purchased gas adjustment clause for gas companies. These clauses adjust rates for such things as changes in the cost of purchased power and natural gas. They can include a provision allowing an electric or gas company to charge or reimburse customers for over- or under-recovery of its overhead or fixed costs due solely to actual sales varying from projected sales.

Prior law required PURA to hold a public hearing once every six months to determine if the charges or credits made under the adjustment clauses reflected actual prices. The act decreases the hearing frequency to once every year, but also requires PURA to hold a hearing upon the Office of Consumer Counsel's application. Under existing law, unchanged by the act, PURA can also hold such a hearing whenever it deems it necessary.

OLR Tracking: LRH:KM:JKL:RO